



SEN. GEORGE RUNNER (RET.)

VICE CHAIR
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 16, 2015

Assemblyman Philip Y. Ting, Chair
Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: AB 612 (PATTERSON) – MINIMUM FRANCHISE TAX REDUCTION: NEW BUSINESSES ▪ SUPPORT ▪

Dear Assemblyman Ting,

I am pleased to support Assembly Bill 612, which reduces the minimum franchise tax to \$400 for a new corporation in the second taxable year, and reduces the annual tax to \$400 for any new limited partnership, limited liability partnership and limited liability company defined as a small business in the first taxable year.

California is consistently ranked as one of the worst states in which to do business. The goal of state government should be to provide small businesses with information, resources and assistance so they can prosper, even in this difficult economic and regulatory climate. Small businesses are critical to the economic recovery of the state. California simply cannot succeed without the jobs and services that prospering small businesses create and provide.

It is no secret that the early years of a small business can be fraught with financial hardship and very little profit. Reducing burdensome taxes on emerging businesses may increase their chance for success by encouraging continued investment and growth.

AB 612 is a business-friendly measure that will encourage the formation of more small businesses in California. I urge your "aye" vote when the bill is heard in your committee.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Runner".

GEORGE RUNNER
1st District

cc: Assemblyman Patterson
Julia King, Policy Consultant, Assembly Republican Caucus